THE FIRE DRILL
PREPARING FOR THE ALARM BEFORE IT SOUNDS

WHAT IS A FIRE DRILL?

A Fire Drill is not a prediction of disaster. It is preparation.

Every building conducts a fire drill — not because anyone expects the building to burn down, but because calm, practiced preparation saves lives when the unexpected strikes. The drill ensures that when the alarm sounds, everyone knows exactly what to do, where to go, and who to trust. There is no panic because the response has already been decided.

In investing, market downturns are not a matter of *if* — they are a matter of *when*. History has shown us again and again that markets will fall. They will recover. And the investors who stay the course — calmly, deliberately, without panic — are the ones who reach their destination.

This is your Fire Drill. Let's walk through it together — before the alarm sounds.

WHAT WILL HAPPEN

Markets will decline. Here is what that looks like:

- At some point, you will open your statement and find that your portfolio has declined in value.
- The news will feel alarming. Headlines will be dramatic.
- Friends, family, or colleagues may be talking about pulling their money out.
- You may feel a strong urge to do *something* — to act, to protect, to stop the bleeding.

This is normal. These feelings are human. They are also, historically, very expensive.

The investors who panic and sell during downturns lock in their losses. The investors who stay the course — guided by a plan, supported by their advisor — are the ones who participate in the recovery.

Just like a fire drill trains your instincts before the alarm sounds, this document is your training. When the market alarm goes off, you will already know what to do.

Historical Market Context

100%

Every bear market in recorded history has ended in a recovery. Not most — all of them.

Source: Bespoke Investment Group, via The Motley Fool (2025); Market Cycle View, S&P 500 historical data (2026)

9 – 14 Months

The average bear market has lasted approximately 9–14 months, with an average decline of ~35%. Painful — but temporary.

Source: Market Cycle View, "US Bear Market History Since 1929" (2026); Lambda Finance, S&P 500 Bear Market Analysis (2026)

4 – 5 Years

The average bull market has lasted approximately 4–5 years, significantly outlasting the average bear market. The recoveries have consistently outrun the declines.

Source: Lambda Finance, "Average Bull Market Length" (2026); Bespoke Investment Group, via The Motley Fool (2025)

Up to ~50% Less

Missing just the **10 best trading days** in the market over a 20-year period can cut your returns nearly in half — most of those days occur *during* or immediately after a downturn.

Source: Hartford Funds / Ned Davis Research, "Timing the Market Is Impossible" (2026); JPMorgan Asset Management, Guide to the Markets; Fidelity Canada, "Don't Miss Out" (2026)

~4 Years

Investors who stayed invested through the 2008–2009 financial crisis recovered their losses by April 2013 — approximately 4 years from the market trough — and went on to significant long-term gains.

Source: PortfolioCalc, "How to Survive a Market Crash" (2026); S&P 500 historical total-return data
Past performance is not indicative of future results. Statistics referenced are based on S&P 500 historical data. Individual results will vary.

DTR FINANCIAL

YOUR PLAN IN A DOWNTURN

When markets fall, here is what we will do together:

1. **We will review your plan — not the market.** Your financial plan was built for your life, not for perfect market conditions. We will revisit your goals, your timeline, and your income needs. The exit route was mapped out long before today.
2. **We will look at your cash flow and liquidity.** If you have short-term cash needs, those assets are not invested in equities. Your plan accounts for this — the emergency exits are already in place.
3. **We will talk — before you act.** If you ever feel the urge to make a major change to your portfolio, call us first. A conversation costs nothing. A panic decision can cost years of growth.
4. **We will rebalance where it makes sense.** Market downturns often create opportunities. We will assess whether rebalancing or adding to your portfolio is appropriate for your situation.
5. **We will remind you of this moment.** Right now — today — you are calm and thinking clearly. We want future-you to hear from present-you: *Stay the course. You already know where the exits are.*

THE ADVISOR PLEDGE

From your DTR Financial advisor to you:

Your Advisor Commits

"When the alarm sounds, I will be there. I will not disappear. I will be honest with you about what is happening and what we know — and what we don't. I will not tell you what you want to hear; I will tell you what the evidence and your plan support. I will remind you of this document. I will remind you why you invested in the first place. I will be your steadiest voice when the noise is loudest — the calm in the drill who helps you find the exit without running. My commitment is not to market conditions — it is to you, your goals, and your long-term financial wellbeing."

THE CLIENT PLEDGE

From you to your future self:

You Commit

"I understand that markets will decline at some point. I have read this document when I was calm and thinking clearly — before the alarm sounded. I commit to calling my DTR Financial advisor ***before*** *making any major portfolio changes during a market downturn. I will not act on panic, headlines, or the opinions of those who do not know my financial plan. I trust the plan we have built together. I trust that short-term volatility does not change my long-term destination. I know where the exits are. I am prepared.*